



OFFICE OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

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◆ ◆ ◆ NOVEMBER HIGHLIGHTS ◆ ◆ ◆

- ❑ Local job growth, as indicated by the employment of Fairfax County residents, continued to accelerate in September, according to data reported by the Virginia Employment Commission.
- ❑ Retail performance in FY 1998 is outpacing that of last year throughout most of Northern Virginia, as indicated by Sales Tax receipts. In Fairfax County, for example, a lead of 5.4 percent over FY 1997 has been established.
- ❑ For the first time this year, County issues of residential dwelling permits posted an advance relative to last year. Consistent with past months, issues of nonresidential building permits were up in October, thereby sustaining a lead over 1996.
- ❑ The volume of existing homes sold in the County through September exceeds that of 1996 by significant margins, while the new home segment has weakened further.
- ❑ Both the Fairfax County Leading and Coincident Indices registered gains in September. It should be noted, however, that the Leading Index has been trending lower over the last few months, signaling more moderate economic expansion in the County.

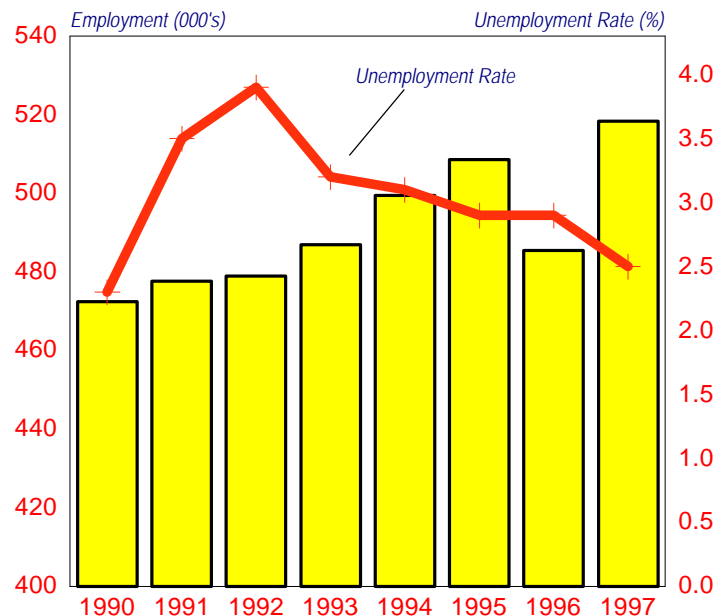
The *Fairfax County Economic Indicators* is now on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>

If the web versions are sufficient for your needs, please contact Marijke Hannam at (703) 324-4518 to be taken off the monthly mailing list.



RESIDENTIAL EMPLOYMENT - SEPTEMBER



Source: Virginia Employment Commission
Compiled by the Fairfax County Office of Management and Budget

Local job growth accelerates further in September...

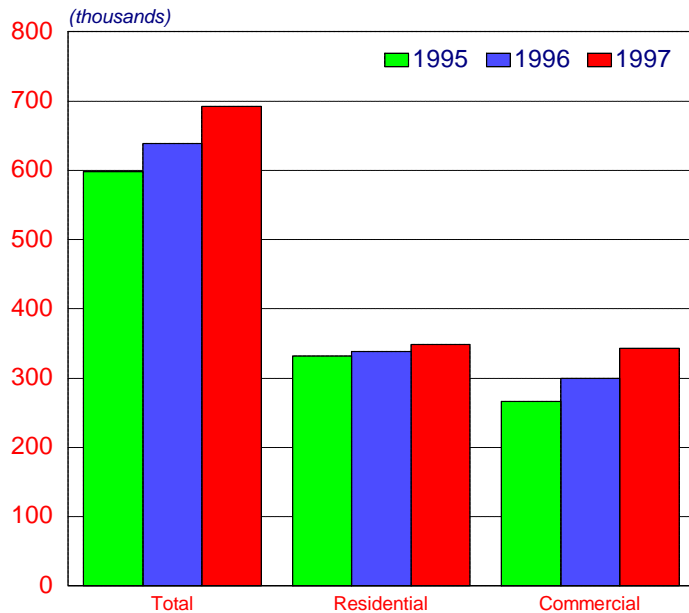
In September, the County's unemployment rate edged up another 0.1 percentage points to 2.5 percent from August, according to the Virginia Employment Commission (VEC). As has been the case in recent months, though, September's rate is significantly below that of one year ago, when the unemployment rate was 2.9 percent. The VEC also reported that 518,339 Fairfax County residents were employed in September, up 6.8 percent, or 32,789 jobs, over the prior year. It should be noted that job growth has accelerated significantly in 1997. In January, for example, job growth over the prior year of 3.9 percent was registered. This compares to more than 6.0 percent growth posted each month since July.



Unemployment rates on State and National levels hold steady in September...

The Commonwealth's unemployment rate was unchanged in September, as was the national unemployment rate. The September unemployment rate in Virginia was 4.1 percent, while that of the nation was 4.9 percent.

BELL ATLANTIC TELEPHONE LINES FAIRFAX COUNTY - OCTOBER



Source: Bell Atlantic
Compiled by the Fairfax County Office of Management and Budget

Business sector continues to fuel growth in the number of telephone lines...

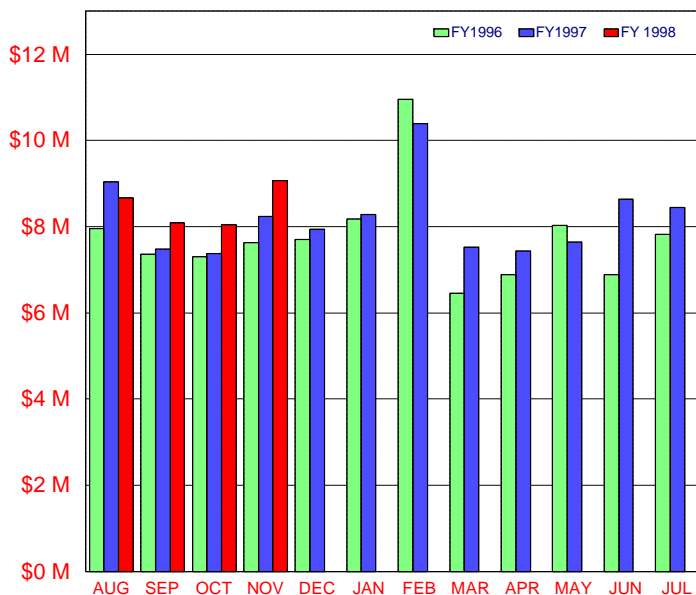
Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 692,371 telephone lines as of October 31, up 8.5 percent, or 54,169 lines, over October 1996.

Although growth in the number of residential telephone lines has accelerated somewhat, the business sector is responsible for the majority of the growth in total lines, adding 43,844 lines, in the past twelve months. In October, 343,486 business telephone lines were registered in Fairfax County, up 14.6 percent over last year. Residential telephone lines totaled 348,885 in October, up 3.1 percent, or 10,325 lines, over the prior year.



SALES TAX REVENUES

(revenues represent retail sales two months prior)



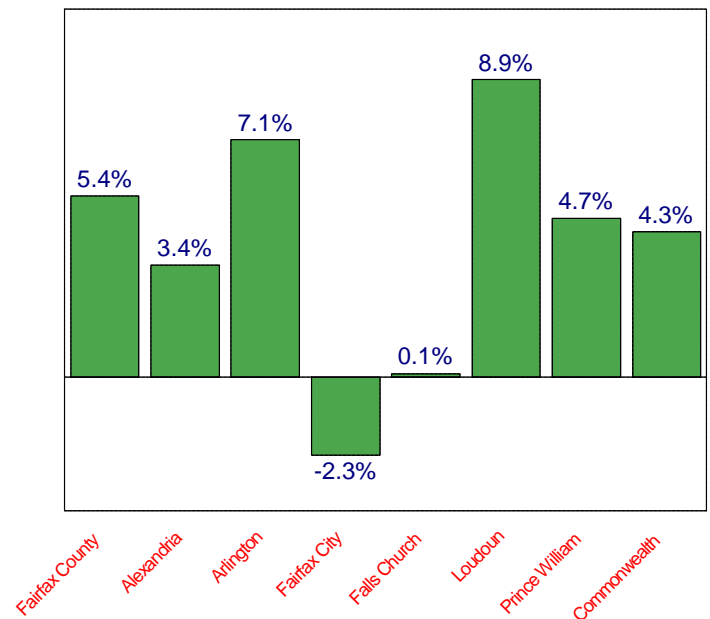
Source: Virginia Department of Taxation
Compiled by the Fairfax County Office of Management and Budget

County Sales Tax receipts through November lead FY 1997 by 5.4 percent...

Fairfax County's November sales tax receipts, representing retail purchases made in September, registered another significant gain, surpassing the prior year by a 10.1 percent margin. As a result, fiscal year sales tax receipts to date total \$33.9 million and lead FY 1997 by 5.4 percent.



FY 1998 SALES TAX RECEIPTS - THROUGH NOVEMBER



Source: Virginia Department of Taxation
Compiled by the Fairfax County Office of Management and Budget

Retail activity up throughout most of Northern Virginia...

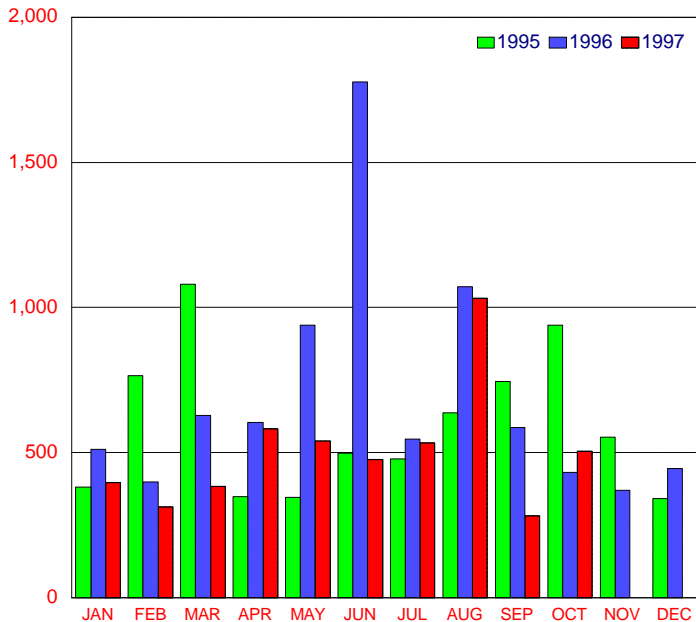
November sales tax receipts indicate that September retail performance in every Northern Virginia jurisdiction, except Fairfax City, topped that of the prior year. Consequently, sales tax receipts thus far in FY 1998 are up 8.9 percent in Loudoun, 7.1 percent in Arlington, 4.7 percent in Prince William, 3.3 percent in Alexandria, and 0.1 percent in Falls Church. Sales tax receipts are still down in Fairfax City, trailing last year by 2.3 percent. The Commonwealth experienced a 5.6 percent increase in total sales tax receipts in November, thereby extending the lead relative to FY 1997 to 4.3 percent.

National retail sales pick up a bit in September...

According to the Commerce Department, retail sales on the national level picked up a bit in September, advancing 5.8 percent over September 1996. Durable goods sales posted a more pronounced gain of 7.7 percent, while nondurable goods sales topped the prior year by a more moderate 4.4 percent.

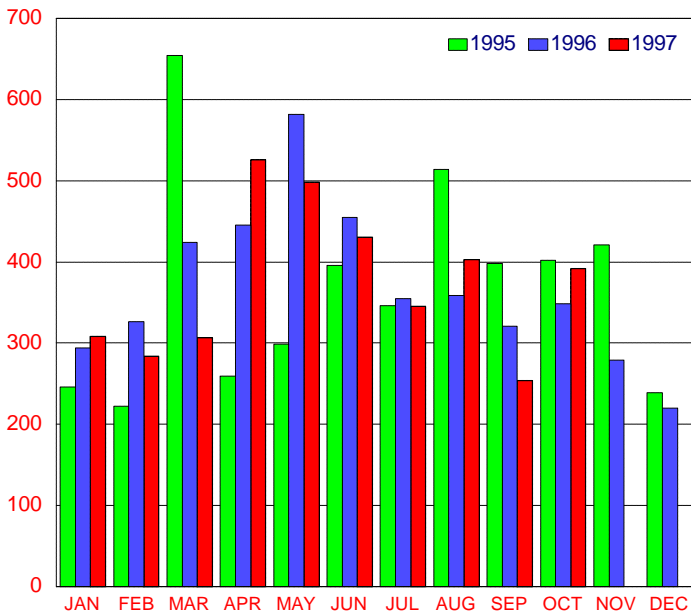
BUILDING PERMITS IN FAIRFAX COUNTY

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW DWELLINGS



Source: Department of Environmental Management
Compiled by the Fairfax County Office of Management and Budget

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW SINGLE FAMILY DWELLINGS

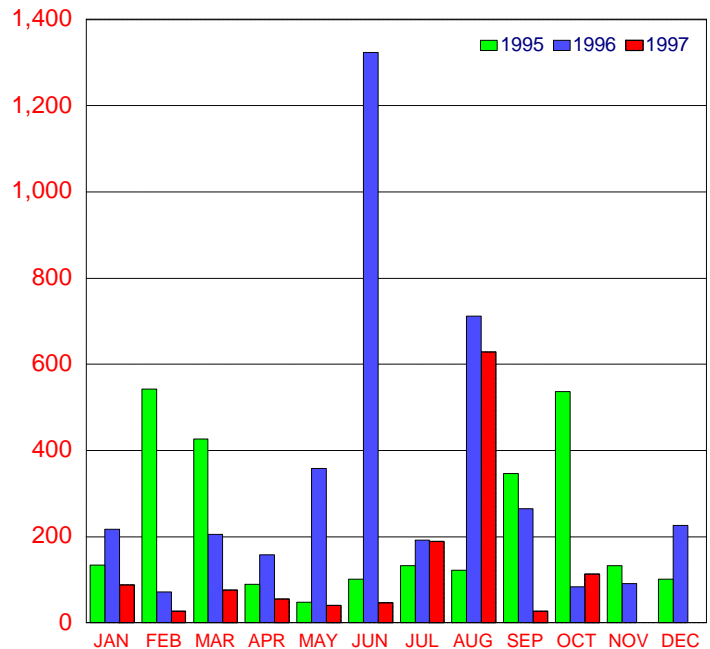


Source: Department of Environmental Management
Compiled by the Fairfax County Office of Management and Budget

County issues of residential dwelling permit in October outpace prior year for first time in 1997...

For the first time this year, issues of new residential dwelling permits posted an advance relative to last year

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW MULTIFAMILY DWELLING



Source: Department of Environmental Management
Compiled by the Fairfax County Office of Management and Budget

in October. To date, 5,041 permits have been issued during the first ten months of 1997, down 32.8 percent, or 2,455 permits from the same period in 1996. This deficit is due primarily to the multifamily component. Permit issues for multifamily structures total 1,294 through October, down 63.9 percent, or 2,293 permits. To date, 3,747 permits have been issued for single family structures, down 4.1 percent, or 162 permits, from 1996.

In October, residential repair and alteration permit issues posted their first gain in six months. To date, though, the 12,656 residential repair permits issued trail that of 1996 by 1.3 percent, or 161 permits.

Housing starts down nationwide through October...

New privately-owned housing starts on the national level continue to be down to date, but the deficit has narrowed over the last couple months.

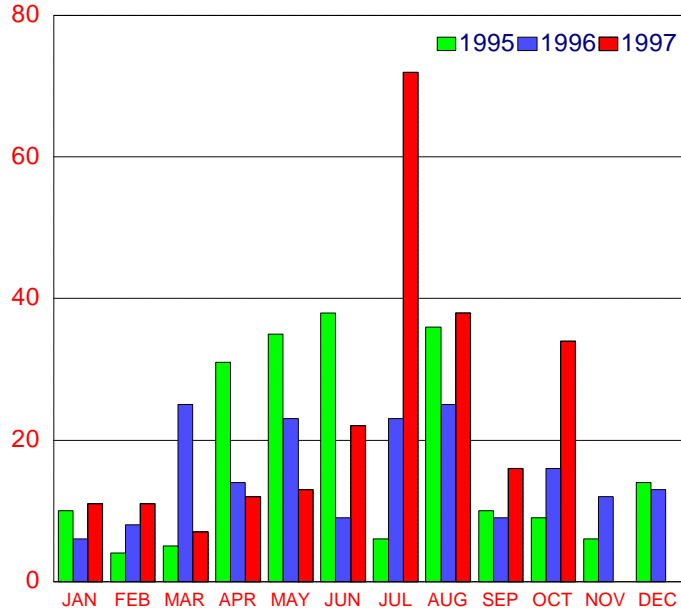
Through October, housing starts trail the previous year by 1.3 percent, according to the Commerce Department. Only the South and the Northeast are experiencing growth relative 1996, increasing 1.3 percent to 0.7 percent, respectively. To date, deficits of 5.6 percent and 2.7 percent have been established in the Midwest and the West, respectively.

Issues of residential dwelling permits up on national level through October...

The Commerce Department also reported that the number of residential building permits issued nationwide through October leads that of 1996 by 0.5 percent. For the

first ten months of 1997, residential building permits issues are up 2.8 percent in the South, 2.7 percent in the Northeast, and 2.5 percent in the West. By contrast, issues of residential building permits in the Midwest are down 7.0 percent to date.

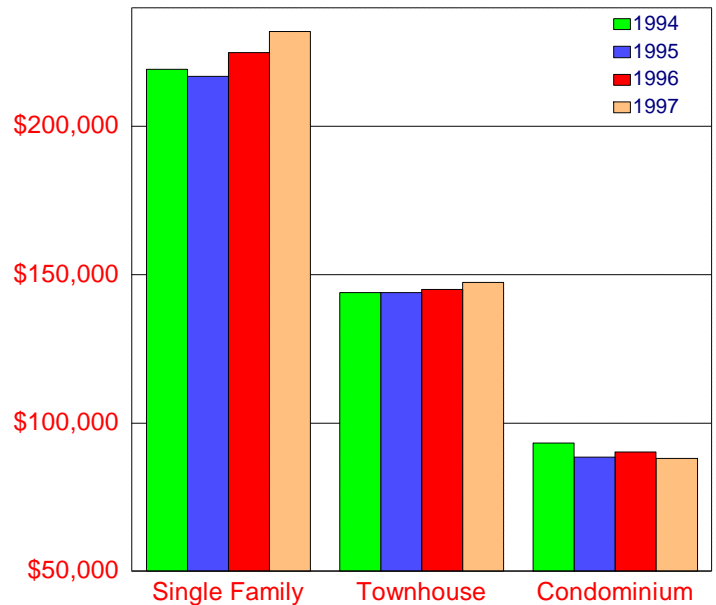
NUMBER OF NONRESIDENTIAL BUILDING PERMITS NEW STRUCTURES



Source: Department of Environmental Management
Compiled by the Fairfax County Office of Management and Budget

HOME SALES IN FAIRFAX COUNTY

MEDIAN PRICE OF EXISTING HOMES SOLD JANUARY - SEPTEMBER 1997 COMPARED TO ANNUAL MEDIAN PRICES 1994 - 1996



Source: Department of Tax Administration
Compiled by the Fairfax County Office of Management and Budget

Issues of nonresidential building permits by the County continue to strengthen...

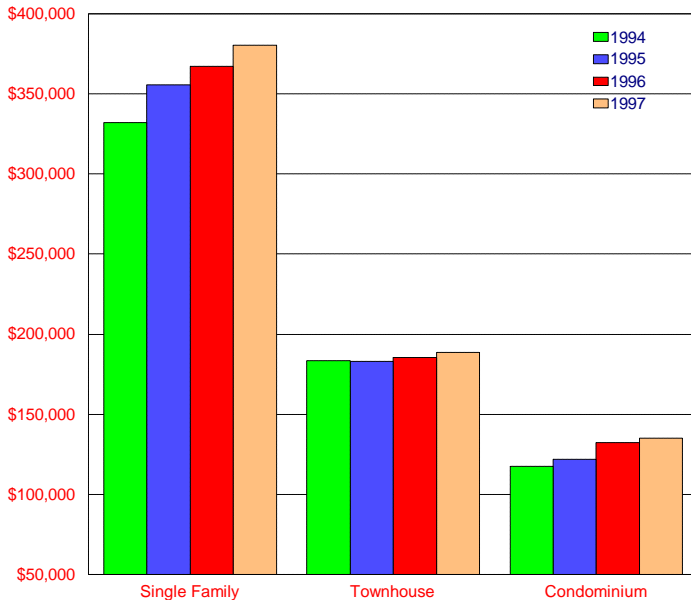
For the fifth consecutive month, a significant increase in the number of nonresidential building permits issued was posted in October. As a result, issues through October top that of last year by 49.4 percent, or 78 permits. To date, 236 nonresidential building permits have been issued. By contrast, issues of nonresidential repair and alteration permits lost ground for the fifth straight month, thereby sustaining a year-to-date deficit. For the first ten months of the year, 3,222 nonresidential repair and alteration permits have been issued, down 2.8 percent, or 92 permits from last year.

Existing single family homes and townhomes in the County selling at higher prices in 1997...

Based on sales data through September, the median selling prices of single family homes and existing townhomes in the County have increased, while that of existing condominiums has declined. More specifically, the median selling price of existing single family homes through September is \$232,149, up 3.2 percent from 1996's \$225,000. Similarly, a median selling price of \$147,400 has been established for existing townhomes thus far in 1997, up 1.7 percent over the \$145,000 registered in 1996. By contrast, existing condominium sales through September indicate a 2.5 percent decline in the median selling price to \$88,000 from \$90,243 in 1996.

Please note that staff verifies that each real estate transaction is an arms-length sale. In doing so, these data may be revised in the coming months.

**MEDIAN PRICE OF NEW HOMES SOLD
JANUARY - SEPTEMBER 1997 COMPARED TO
ANNUAL MEDIAN PRICES 1994 - 1996**



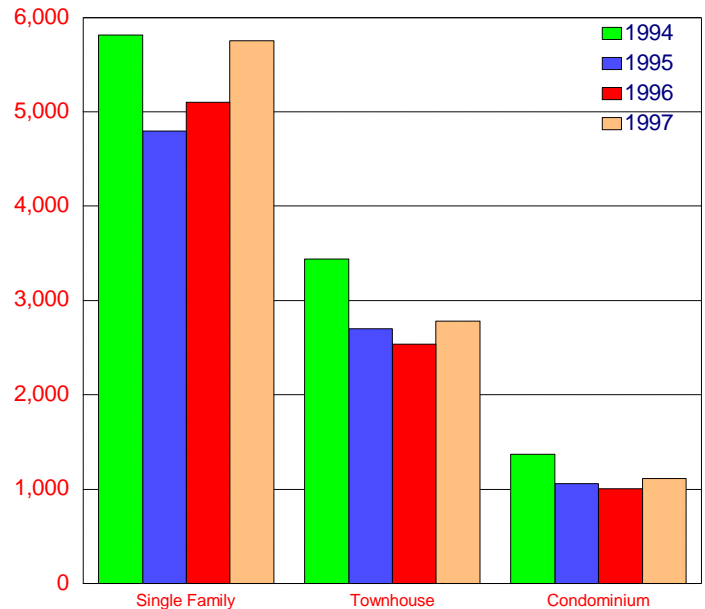
Source: Department of Tax Administration
Compiled by the Fairfax County Office of Management and Budget

Sales of new homes in the County indicate price increases...

Sales data through September indicate increases in the median selling prices of new homes in the County. For the first three quarters

of the year, the median selling price of new single family homes has increased 3.6 percent to \$380,257 from the \$367,225 registered in 1996. New condominiums have sold for a median price of \$134,927 in 1997, an increase of 2.1 percent over the \$132,185 registered in 1996. Similarly, new townhomes have sold for a median price of \$188,850 through September, up 1.9 percent from the \$185,400 established in 1996.

**NUMBER OF EXISTING HOMES SOLD
JANUARY - SEPTEMBER 1994 - 1997**



Source: Department of Tax Administration
Compiled by the Fairfax County Office of Management and Budget

The sales volume of existing homes in the County continues to outpace 1996...

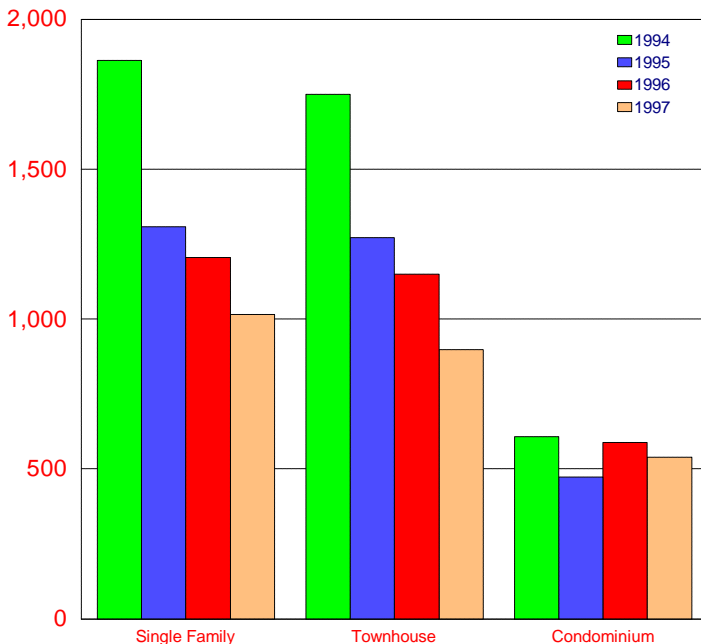
The volume of existing home sales in September outpaced that of one year ago by significant margins, thereby contributing to the year-to-date leads established in the prior months. During the first three quarters of 1997, 5,752 existing single family homes have been sold, up 12.7 percent, or 647 homes, over the level registered in 1996. Additionally, 1,115 existing condominiums sold through September, resulting in a lead of 11.1 percent, or 111 homes, over last year. Sales of existing townhomes total 2,785 units to date, up 9.6 percent, or 243 units, over the same period in 1996.

**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD
JANUARY - SEPTEMBER 1997 COMPARED TO 1996 ANNUAL**

	Existing Sales	New Sales
Single Family	3.2	3.6
Townhouse	1.7	1.9
Condominium	-2.5	2.1

Source: Department of Tax Administration
Compiled by the Office of Management and Budget

NUMBER OF NEW HOMES SOLD JANUARY - SEPTEMBER 1994 - 1997



Source: Department of Tax Administration
Compiled by the Fairfax County Office of Management and Budget

Further weakening, in terms of volume, evident in the new home market...

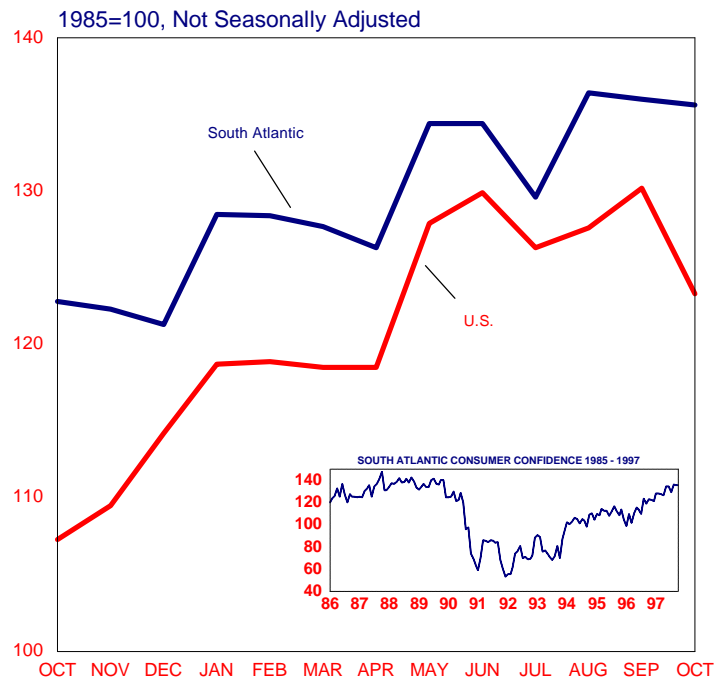
In stark contrast to the existing home market, the volume of new home sales continued to weaken in September, relative to the pace set in 1996. New townhomes and single family homes sales have fallen the most to date. Through September, 898 new townhomes have been sold, down 21.9 percent, or 252 units, from the same period in 1996. Similarly, sales of new single family homes total 1,016 through September and are down 15.8 percent, or 190 units, from 1996. To date, 539 new condominiums have been sold, down a more moderate 8.5 percent, or 50 units, from last year.

Sales of new homes on the national level slow, but still lead prior year by 5.7 percent...

Slowing sales of new homes nationwide caused the year-to-date lead relative to 1996 to narrow to 5.7 percent in September, according to the Commerce Department. More specifically, new home sales are up 20.8 percent in the Northeast, 6.8 percent in the South, 2.4 percent in the West, and 1.0 percent in the Midwest for the first three quarters of 1997.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDICES

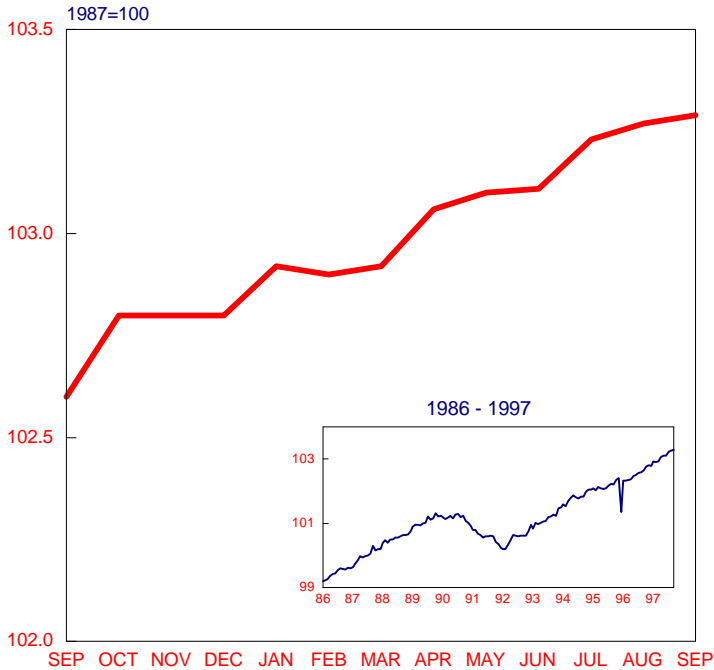


Consumer confidence on the national level plummets in October...

The Conference Board's South Atlantic Consumer Confidence Index slipped slightly in October, declining 0.4 points to 135.6. As the graph indicates, consumer confidence has been somewhat shaky during the last couple of months. This is particularly evident in the national Consumer Confidence Index which fell 6.9 points in October to 123.3. Many analysts attribute some of October's wariness to the uneasiness in the stock market.

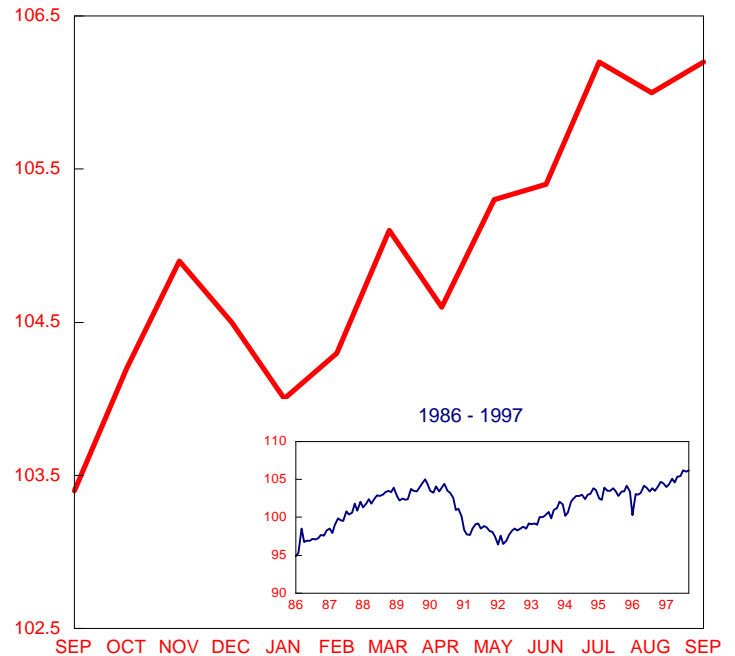
The following section includes a discussion of economic indices for three different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices which consider the Washington Metropolitan economy, and the Virginia Indices which focus on the entire Commonwealth. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

FAIRFAX COUNTY COINCIDENT INDEX



Sources: Dr. Stephen Fuller
Fairfax County Office of Management and Budget

METROPOLITAN COINCIDENT INDEX



Source: Economic Reporter Online
Compiled by the Fairfax County Office of Management and Budget

County's Coincident Index advances in September...

The Fairfax County Coincident Index, which represents the current state of the County's economy, gained a slight 0.02 points in September, increasing to 103.29. The County Coincident Index has sustained a positive trend for four consecutive months. In September, two of the Index's four components were positive. Total covered employment increased for the third consecutive month, as did Sales Tax receipts. By contrast, Transient Occupancy Tax collections posted a decline, and Consumer Confidence in the South Atlantic dipped for the second time in three months.



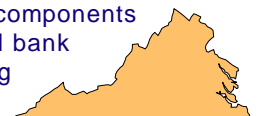
Metropolitan Coincident Index gains in September...

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, inched forward 0.2 points in September to 106.2. This was the Index's fourth advance in five months. Two of the Index's four components made positive contributions in September. More specifically, domestic airport passenger volume increased sharply in September and wages and salary employment posted moderate gains after declining in August. By contrast, nondurable goods retail sales and consumer confidence in the South Atlantic both lost ground in September.

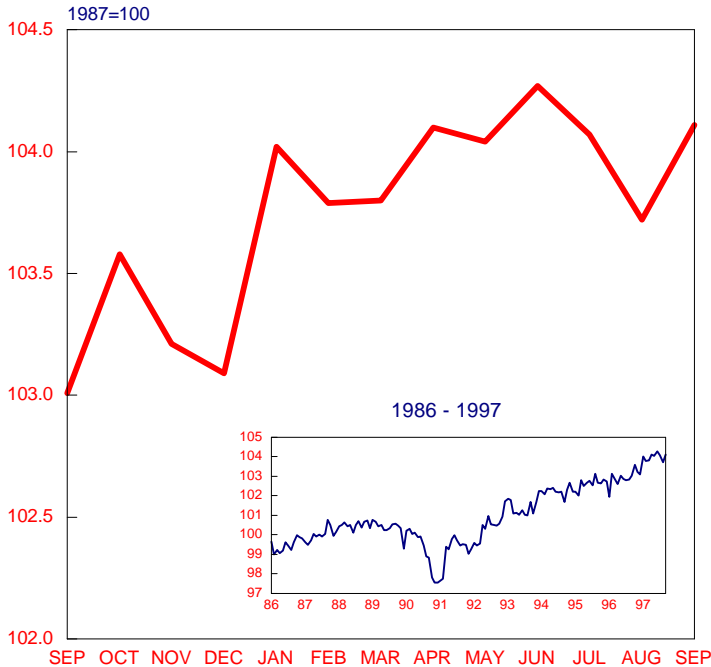


Virginia Coincident Index advances for fifth straight month in September...

Crestar Bank's Virginia Coincident Index advanced 0.4 points in September to 148.3 marking its fifth consecutive gain. Four of the Index's six components were positive in September. Only real bank deposits and manufacturing employment were negative.

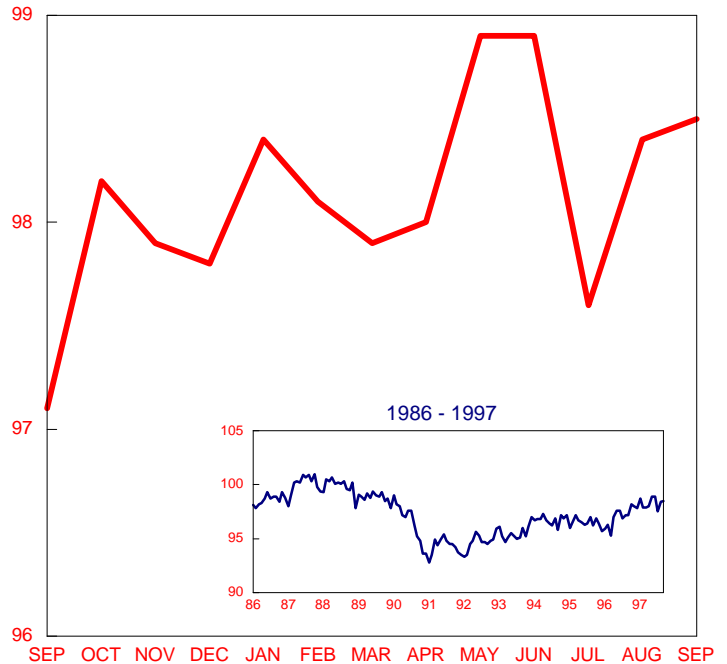


FAIRFAX COUNTY LEADING INDEX



Sources: Dr. Stephen Fuller
Fairfax County Office of Management and Budget

METROPOLITAN LEADING INDEX



Source: Economic Reporter Online
Compiled by the Fairfax County Office of Management and Budget

Despite increase in the County's Leading Index, growth expected to moderate...

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in the future, gained 0.39 points in

September, increasing to 104.11. Even with this increase, it is obvious that the Index has been trending lower over the last few months. Consequently, while further economic expansion in the County is still anticipated, the rate of growth is expected to moderate from the pace that has been experienced recently. In September, three of the Index's five components contributed to its gain. Initial claims for unemployment insurance decreased (improved) significantly, thereby nearly offsetting the increases in July and August; consumer expectations (consumer confidence six months hence) posted a second straight advance; and the mean value of residential building permits posted a sharp advance after declining sharply in the previous two months. New automobile registrations and the number of residential building permits issued were both down in September.



Metropolitan Leading Index posts modest advance in September...

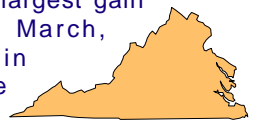
In September, the Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington metropolitan area 9 to 12 months in advance, posted a modest

gain of 0.1 point, increasing to 98.5. September's increase is due entirely to positive contributions made by the Help Wanted Index and consumer expectations (consumer confidence six months hence). Issues of residential building permits, initial claims for unemployment insurance, and durable goods retail sales all worsened in September.

Virginia Leading Index posts largest gain since March in September...

The Virginia Leading Index, produced by Crestar Bank, posted its largest gain since March,

advancing 1.0 point to 163.1 in September. Seven of the Index's nine components contributed to the increase.



Inquiries should be directed to:

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